



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

FEB 07 2017

REPLY TO THE ATTENTION OF:

Mr. Steven Lovelace
Environmental Systems Manager
Lawrence Industries Inc.
423 Walbridge Street
Kalamazoo, Michigan 49007

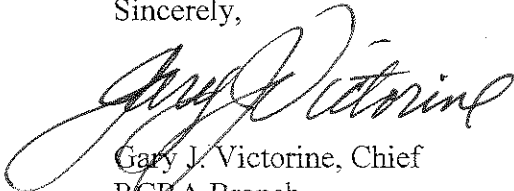
Re: Consent Agreement and Final Order
Lawrence Industries Inc.
Docket No: **RCRA-05-2017-0007**

Dear Mr. Lovelace:

Enclosed please find an original signed fully-executed Consent Agreement and Final Order (CAFO) in resolution of the above case. The originals were filed with the Regional Hearing Clerk on February 7, 2017.

Please pay a civil penalty in the amount of \$16,000 in the manner prescribed in paragraph 39 of the CAFO, and reference all checks with the docket number **RCRA-05-2017-0007**. The payment is due within 30 calendar days of the effective date of the CAFO. Also, enclosed is a *Notice of Securities and Exchange Commission Registrant's Duty to Disclosed Environmental Legal Proceedings*. Thank you for your cooperation in resolving this matter.

Sincerely,


Gary J. Victorine, Chief
RCRA Branch

Enclosures

cc: Steve Sliver, MDEQ (slivers@michigan.gov)
Fred Sellers, MDEQ (sellersf@michigan.gov)
Lonnie Lee, MDEQ (leel@michigan.gov)
Larry Bean, NDEQ (beanl@michigan.gov)
Jeffrey Trevino, ORC (trevino.jeffrey@epa.gov)
Steven Lovelace, (Lawrenceind@aol.com)

NOTICE OF SECURITIES AND EXCHANGE COMMISSION REGISTRANTS' DUTY TO DISCLOSE ENVIRONMENTAL LEGAL PROCEEDINGS

Securities and Exchange Commission regulations require companies registered with the SEC (e.g., publicly traded companies) to disclose, on at least a quarterly basis, the existence of certain administrative or judicial proceedings taken against them arising under Federal, State or local provisions that have the primary purpose of protecting the environment. Instruction 5 to Item 103 of the SEC's Regulation S-K (17 CFR 229.103) requires disclosure of these environmental legal proceedings. For those SEC registrants that use the SEC's "small business issuer" reporting system, Instructions 1-4 to Item 103 of the SEC's Regulation S-B (17 CFR 228.103) requires disclosure of these environmental legal proceedings.

If you are an SEC registrant, you have a duty to disclose the existence of pending or known to be contemplated environmental legal proceedings that meet any of the following criteria (17 CFR 229.103(5)(A)-(C)):

- A. Such proceeding is material to the business or financial condition of the registrant;
- B. Such proceeding involves primarily a claim for damages, or involves potential monetary sanctions, capital expenditures, deferred charges or charges to income and the amount involved, exclusive of interest and costs, exceeds 10 percent of the current assets of the registrant and its subsidiaries on a consolidated basis; or
- C. A governmental authority is a party to such proceeding and such proceeding involves potential monetary sanctions, unless the registrant reasonably believes that such proceeding will result in no monetary sanctions, or in monetary sanctions, exclusive of interest and costs, of less than \$100,000; provided, however, that such proceedings which are similar in nature may be grouped and described generically.

Specific information regarding the environmental legal proceedings that must be disclosed is set forth in Item 103 of Regulation S-K or, for registrants using the "small business issuer" reporting system, Item 103(a)-(b) of Regulation S-B. If disclosure is required, it must briefly describe the proceeding, "including the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceedings and the relief sought."

You have been identified as a party to an environmental legal proceeding to which the United States government is, or was, a party. If you are an SEC registrant, this environmental legal proceeding may trigger, or may already have triggered, the disclosure obligation under the SEC regulations described above.

This notice is being provided to inform you of SEC registrants' duty to disclose any relevant environmental legal proceedings to the SEC. This notice does not create, modify or interpret any existing legal obligations, it is not intended to be an exhaustive description of the legally applicable requirements and it is not a substitute for regulations published in the Code of Federal Regulations. This notice has been issued to you for information purposes only. No determination of the applicability of this reporting requirement to your company has been made by any governmental entity. You should seek competent counsel in determining the applicability of these and other SEC requirements to the environmental legal proceeding at issue, as well as any other proceedings known to be contemplated by governmental authorities.

If you have any questions about the SEC's environmental disclosure requirements, please contact the SEC Office of the Special Senior Counsel for Disclosure Operations at (202) 942-1888.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5

In the Matter of:

Lawrence Industries, Inc.,
Kalamazoo, Michigan,

Respondent.

Docket No. RCRA-05-2017-0007

Proceeding to Commence and Conclude
an Action to Assess a Civil Penalty
Under Section 3008(a) of the Resource
Conservation and Recovery Act,
42 U.S.C. § 6928(a)

Consent Agreement and Final Order

Preliminary Statement

1. This is an administrative action commenced and concluded under Section 3008(a) of the Solid Waste Disposal Act, as amended, also known as the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. § 6928(a), and Sections 22.13(b) and 22.18(b)(2) and (3) of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (Consolidated Rules) as codified at 40 C.F.R. Part 22.
2. The Complainant is the Director of the Land and Chemicals Division, United States Environmental Protection Agency (U.S. EPA), Region 5.
3. U.S. EPA provided notice of commencement of this action to the State of Michigan pursuant to Section 3008(a)(2) of RCRA, 42 U.S.C. § 6928(a)(2).
4. Respondent is Lawrence Industries, Inc., a corporation doing business in the State of Michigan.
5. Where the parties agree to settle one or more causes of action before the filing of a complaint the administrative action may be commenced and concluded simultaneously by the issuance of a consent agreement and final order (CAFO). 40 C.F.R. § 22.13(b).

6. The parties agree that settling this action without the filing of a complaint or the adjudication of any issue of fact or law is in their interest and in the public interest.

7. Respondent consents to the assessment of the civil penalty specified in this CAFO and to the terms of this CAFO.

Jurisdiction and Waiver of Right to Hearing

8. Jurisdiction for this action is conferred upon U.S. EPA by Sections 3006 and 3008 of RCRA, 42 U.S.C. §§ 6926 and 6928.

9. Respondent admits the jurisdictional allegations in this CAFO, and neither admits nor denies the factual allegations in this CAFO.

10. Respondent waives its right to request a hearing as provided at 40 C.F.R. § 22.15(c), and any right to contest the allegations in this CAFO, and its right to appeal this CAFO.

11. Respondent certifies that it is complying fully with RCRA, 42 U.S.C. §§ 6901 – 6992k, and the regulations at 40 C.F.R. Parts 260 - 279.

Statutory and Regulatory Background

12. U.S. EPA has promulgated regulations, codified at 40 C.F.R. Parts 260 through 279, governing generators and transporters of hazardous waste and facilities that treat, store, and dispose of hazardous waste, pursuant to Sections 3001 – 3007 of RCRA, 42 U.S.C. §§ 6921 – 6927.

13. Pursuant to Section 3006 of RCRA, 42 U.S.C. § 6926, the Administrator of U.S. EPA may authorize a state to administer the RCRA hazardous waste program in lieu of the federal program when the Administrator finds that the state program meets certain conditions. Any violation of regulations promulgated pursuant to Subtitle C (Sections 3001-3023 of RCRA, 42 U.S.C. §§ 6921-6939e) or any state provision authorized pursuant to Section 3006 of RCRA

constitutes a violation of RCRA, subject to the assessment of civil penalties and issuance of compliance orders as provided in Section 3008 of RCRA, 42 U.S.C. § 6928.

14. Pursuant to Section 3006(b) of RCRA, 42 U.S.C. § 6926(b), the Administrator of U.S. EPA granted the State of Michigan final authorization to administer a state hazardous waste program in lieu of the federal government's base RCRA program effective October 30, 1986. 51 Fed. Reg. 36804 (October 16, 1986).

15. Under Section 3008(a) of RCRA, 42 U.S.C. § 6928(a), U.S. EPA may issue an order assessing a civil penalty for any past or current violation, requiring compliance immediately or within a specified period of time, or both. The Administrator of U.S. EPA may assess a civil penalty of up to \$37,500 per day for each violation of Subtitle C of RCRA that occurred after January 12, 2009 through November 2, 2015, pursuant to Section 3008(a) of RCRA, 42 U.S.C. § 6928(a), and 40 C.F.R. Part 19.

Factual Allegations and Alleged Violations

16. Respondent was and is a "person" as defined by MAC R. 299.9106(i), 40 C.F.R. § 260.10, and Section 1004(15) of RCRA, 42 U.S.C. § 6903(15).

17. Respondent is the "owner" or "operator," as those terms are defined under MAC R. 299.9101-9109 and 40 C.F.R. § 260.10, of a facility located at 423 Walbridge Street, Kalamazoo, Michigan, (the facility).

18. On May 16, 2013, U.S. EPA conducted an inspection of the facility.

19. The facility consists of land and structures, other appurtenances, and improvements on the land used for treating, storing, or disposing of hazardous waste.

20. Respondent manufactures metal plated tools.

21. At all times relevant to this CAFO, Respondent created solid wastes including F006

Metal Hydroxide Sludge.

22. Respondent's processes at the facility produce several hazardous wastes identified or listed in MAC R. 299.9201-9230 and 40 C.F.R. Parts 260-270.

23. Respondent is a "generator," as that term is defined in MAC R. 299.9104(a) and 40 C.F.R. § 260.10.

24. Respondent produced more than 1,000 kilograms (2,205 pounds) of hazardous waste each calendar month of prior to the inspection, and was a large quantity generator.

25. Respondent is subject to the regulations promulgated pursuant to Subtitle C of RCRA, 42 U.S.C. §§ 6921 - 6939e, and the analogous state regulations as part of the applicable state hazardous waste management program for the state of Michigan.

26. At all times relevant to this CAFO, the State of Michigan has not issued a permit to Respondent to treat, store, or dispose of hazardous waste at the facility.

27. At all times relevant to this CAFO, Respondent did not have interim status for the treatment, storage, or disposal of hazardous waste at the facility.

Count 1

28. Complainant incorporates paragraphs 1 through 27 of this CAFO as though set forth in this paragraph.

29. Pursuant to 3005(a) or RCRA, 42 U.S.C. § 6925(a), and the regulations at 40 C.F.R. Part 270, the treatment, storage, or disposal of hazardous waste by any person who has not applied for or received a permit is prohibited.

30. Pursuant to MAC R. 299.9306 and 40 C.F.R. § 262.34(a), and subject to certain exceptions, a generator of hazardous waste may accumulate hazardous waste on-site for 90 days or less without having a permit or interim status, provided that the generator complies with all

applicable conditions of MAC R 299.9306 and 40 C.F.R. § 262.34(a).

31. If the conditions of MAC R. 299.9306 and 40 C.F.R. § 262.34 are not met, then the generator must apply for an operating permit under MAC R. 299.9502, 299.9508, 299.9510 and 40 C.F.R. Part 264 or 40 C.F.R. §§ 270.1(c), 270.10(a) and (d), and 270.13.

32. On May 16, 2013, Respondent had in its Wastewater Treatment Room a one-cubic yard container with hazardous waste and a 55-gallon satellite drum with hazardous waste, but Respondent failed to label or mark either with: 1) the words "Hazardous Waste;" 2) the Hazardous Waste Number or Code; and, 3) the Hazardous Waste Accumulation Start Date, in violation of MAC R. 299.9306(4)(d) and 40 C.F.R. § 262.34(d)(4), MAC R. 299.9306(4)(c), and MAC R. 299.9306(4)(c) and 40 C.F.R. § 262.34(d)(4), respectively.

33. On May 16, 2013, Respondent had in its Wastewater Treatment Room a one-cubic yard container storing hazardous waste open and without a lid and a 55-gallon satellite drum storing hazardous waste open and without a lid, in violation of MAC R. 299.9306(2) and (4)(b)(i) and 40 C.F.R. §§ 262.34(c)(1)(i), (d)(2), and 40 C.F.R. 265.173(a).

34. On May 16, 2013, Respondent used a satellite container to accumulate hazardous waste in excess of 55-gallons, but failed to mark its satellite container with the date it began accumulating hazardous waste in excess of 55 gallons, and failed to move it to a storage area within three days, in violation of MAC R. 299.9306(2) and 40 C.F.R. § 262.34(c)(2).

35. On May 16, 2013, Respondent had stored hazardous waste at its facility for more than 180 days in violation of MAC R. 299.9502(1) and 40 C.F.R. §§ 270.1.

36. Therefore, Respondent failed to meet the conditions of MAC R. 299.9306 and 40 C.F.R. § 262.34 necessary to exempt it from the requirement to obtain interim status or apply for and obtain a permit for the storage of hazardous waste.

37. Consequently, Respondent stored hazardous waste without a permit or interim status in violation of Section 3005 of RCRA, 42 U.S.C. § 6925, and the regulations found at MAC R. 299.9502, 299.9508, and 40 C.F.R. Part 264 or 40 C.F.R. §§ 270.1(c), 270.10(a) and (d), and 270.13.

Civil Penalty

38. Pursuant to Section 3008(a)(3) of RCRA, 42 U.S.C. § 6928(a)(3), Complainant determined that an appropriate civil penalty to settle this action is \$16,000. In determining the penalty amount, Complainant took into account the seriousness of the violation and any good faith efforts to comply with the applicable requirements and U.S. EPA's RCRA Civil Penalty Policy, dated June 23, 2003.

39. Within 30 days after the effective date of this CAFO, Respondent must pay a \$16,000 civil penalty for the RCRA violations by sending a cashier's or certified check, payable to the "Treasurer, United States of America," to:

U.S. EPA
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077
St. Louis, MO 63197-9000

The check must state the case title, "Lawrence Industries, Inc.," and the docket number of this CAFO.

40. A transmittal letter stating Respondent's name, the case title and the case docket number must accompany the payment. Respondent must send a copy of the check and transmittal letter to:

Regional Hearing Clerk (E-19J)
U.S. EPA, Region 5
77 West Jackson Blvd.
Chicago, IL 60604

Cindy Dabner (LR-8J)
RCRA Branch
U.S. EPA, Region 5
77 West Jackson Blvd.
Chicago, IL 60604

Jeffery M. Trevino (C-14J)
Office of Regional Counsel
U.S. EPA, Region 5
77 West Jackson Blvd.
Chicago, IL 60604

41. This civil penalty is not deductible for federal tax purposes.

42. If Respondent does not timely pay the civil penalty, U.S. EPA may bring an action to collect any unpaid portion of the penalty with interest, handling charges, nonpayment penalties, and the United States enforcement expenses for the collection action. The validity, amount, and appropriateness of the civil penalty are not reviewable in a collection action.

43. Pursuant to 31 C.F.R. § 901.9, Respondent must pay the following on any amount overdue under this CAFO. Interest will accrue on any amount overdue from the date payment was due at a rate established by the Secretary of the Treasury pursuant to 31 U.S.C. § 3717(a)(1). Respondent must pay a \$15 handling charge each month that any portion of the penalty is more than 30 days past due. In addition, Respondent must pay a 6 percent per year penalty on any principal amount 90 days past due.

General Provisions

44. This CAFO resolves only Respondent's liability for federal civil penalties for the violations and facts alleged in the CAFO.

45. This CAFO does not affect the right of U.S. EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law.

46. This CAFO does not affect Respondent's responsibility to comply with RCRA and other applicable federal, state, local laws or permits.

47. This CAFO is a "final order" for purposes of 40 C.F.R. § 22.31, U.S. EPA's RCRA Civil Penalty Policy, and U.S. EPA's Hazardous Waste Civil Enforcement Response Policy (December 2003).

48. The terms of this CAFO bind Respondent, its successors, and assigns.

49. Each person signing this agreement certifies that he or she has the authority to sign for the party whom he or she represents and to bind that party to its terms.

50. Each party agrees to bear its own costs and attorney's fees in this action.

51. This CAFO constitutes the entire agreement between the parties.

Lawrence Industries, Inc., Kalamazoo, Michigan
Respondent

1-27-17
Date

Steven R. Lovelace
Steven Lovelace
President

United States Environmental Protection Agency, Complainant

Feb. 1, 2017
Date

Ignacio L. Arreola
Margaret M. Guerriero
Acting Director
Land and Chemicals Division

In the Matter of: Lawrence Industries, Inc., Kalamazoo, Michigan.
Docket No. RCRA-05-2017-0007
Consent Agreement and Final Order

Final Order

This Consent Agreement and Final Order, as agreed to by the parties, shall become effective immediately upon filing with the Regional Hearing Clerk. This Final Order concludes this proceeding pursuant to 40 C.F.R. §§ 22.18 and 22.31. IT IS SO ORDERED.

February 7, 2017
Date

Ann L. Coyle
Ann L. Coyle
Regional Judicial Officer
United States Environmental Protection Agency
Region 5

In the Matter of: Lawrence Industries, Inc., Kalamazoo, Michigan.
Docket No. RCRA-05-2017-0007
Consent Agreement and Final Order

CERTIFICATE OF SERVICE

I hereby certify that today I served a true and correct copy of this fully executed and filed Consent Agreement and Final Order for this civil administrative action as follows:

Copy to Respondent by Certified U.S. Mail, Return-Receipt Requested:

Steven Lovelace, President
Lawrence Industries, Inc.
423 Walbridge Street
Kalamazoo, Michigan 49007

Copy to Counsel for Complainant, Via E-Mail:

Jeffery M. Trevino
trevino.jeffery@epa.gov

Copy to Regional Judicial Officer, Via E-Mail:

Ann L. Coyle
coyle.ann@epa.gov

February 7, 2017
Date



LaDawn Whitehead
Regional Hearing Clerk
Region 5
U.S. Environmental Protection Agency
77 West Jackson Boulevard (C-19J)
Chicago, Illinois, 60604-3590

7001 0320 0006 0188 0574

Certified Mail Receipt Number